

# IowaCare Update at the University of Iowa Hospitals and Clinics

Prepared for

*Medical Assistance Projections  
and Assessment Council (MAPAC)*

Prepared By

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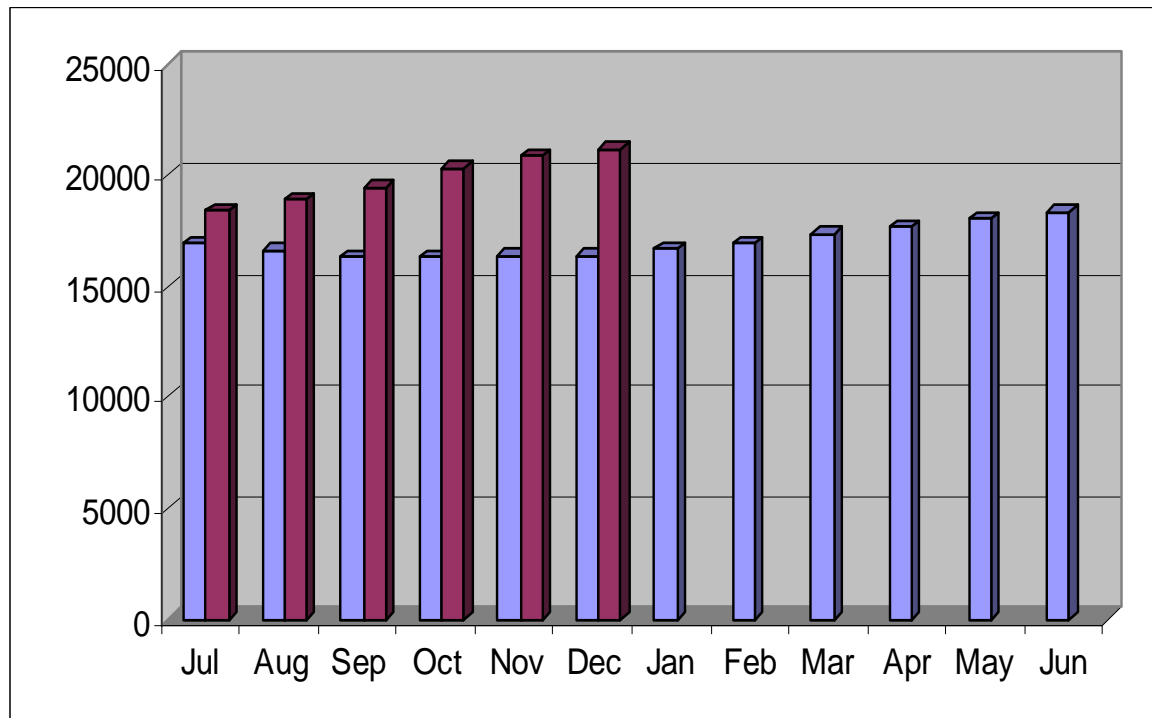
*Assistant Vice President for Health Policy*

*Office of the Vice President for Medical Affairs*

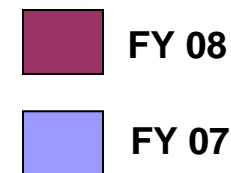
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February 1, 2008

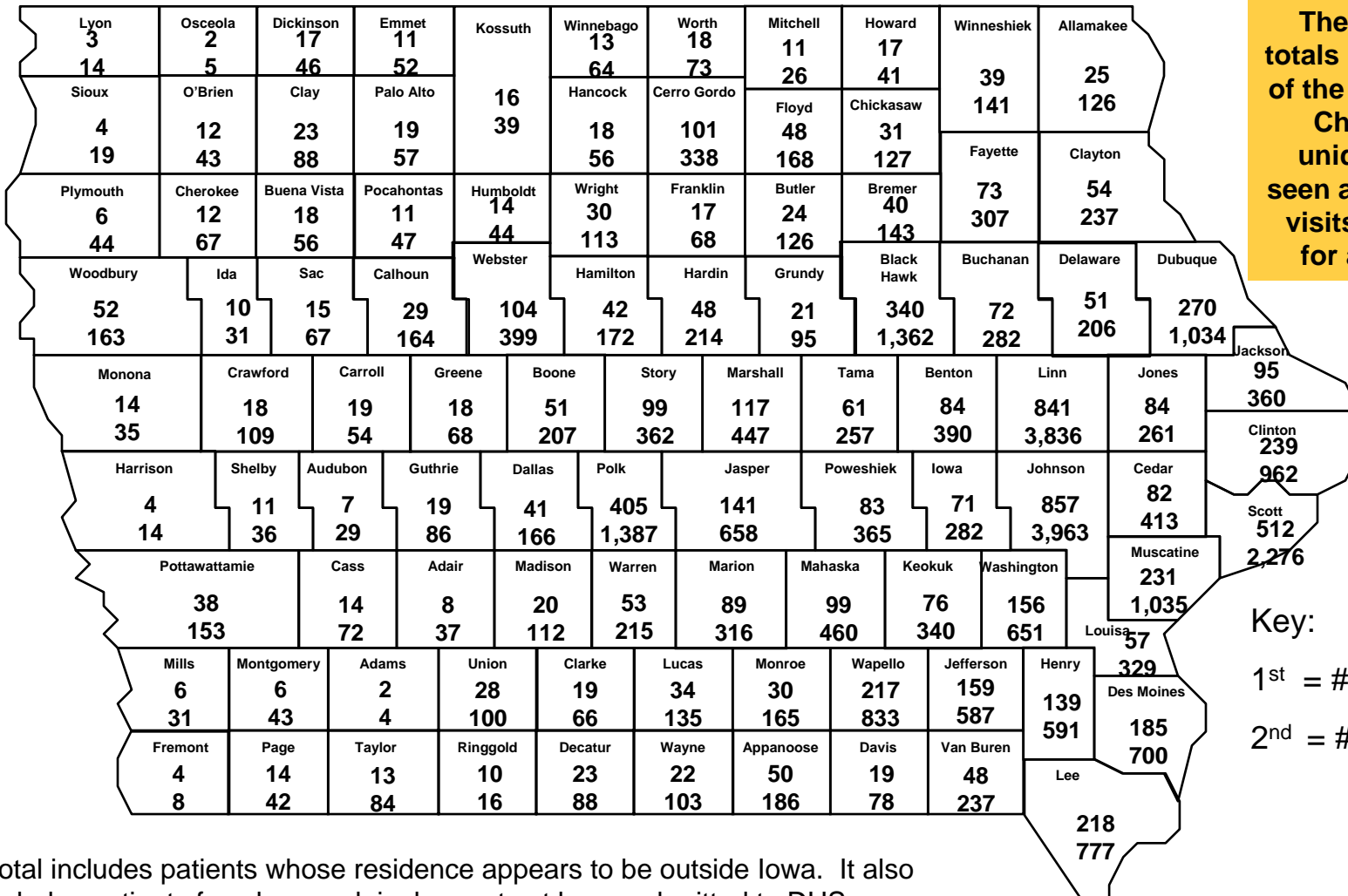
# IowaCare & Chronic Care Enrollment (Net of Disenrollments) Monthly Comparison for FY 07 & FY 08



**FY 08 IowaCare enrollment is significantly higher than FY 07 enrollment at the same time last year and is at record levels.**



## 7,873 Unique IowaCare & Chronic Care Patients Have Accounted for 32,718 Visits at the UIHC During the First Half of FY 08



These half-year totals represent 80% of the IowaCare and Chronic Care unique patients seen and 57% of the visits to the UIHC for all of FY 07.

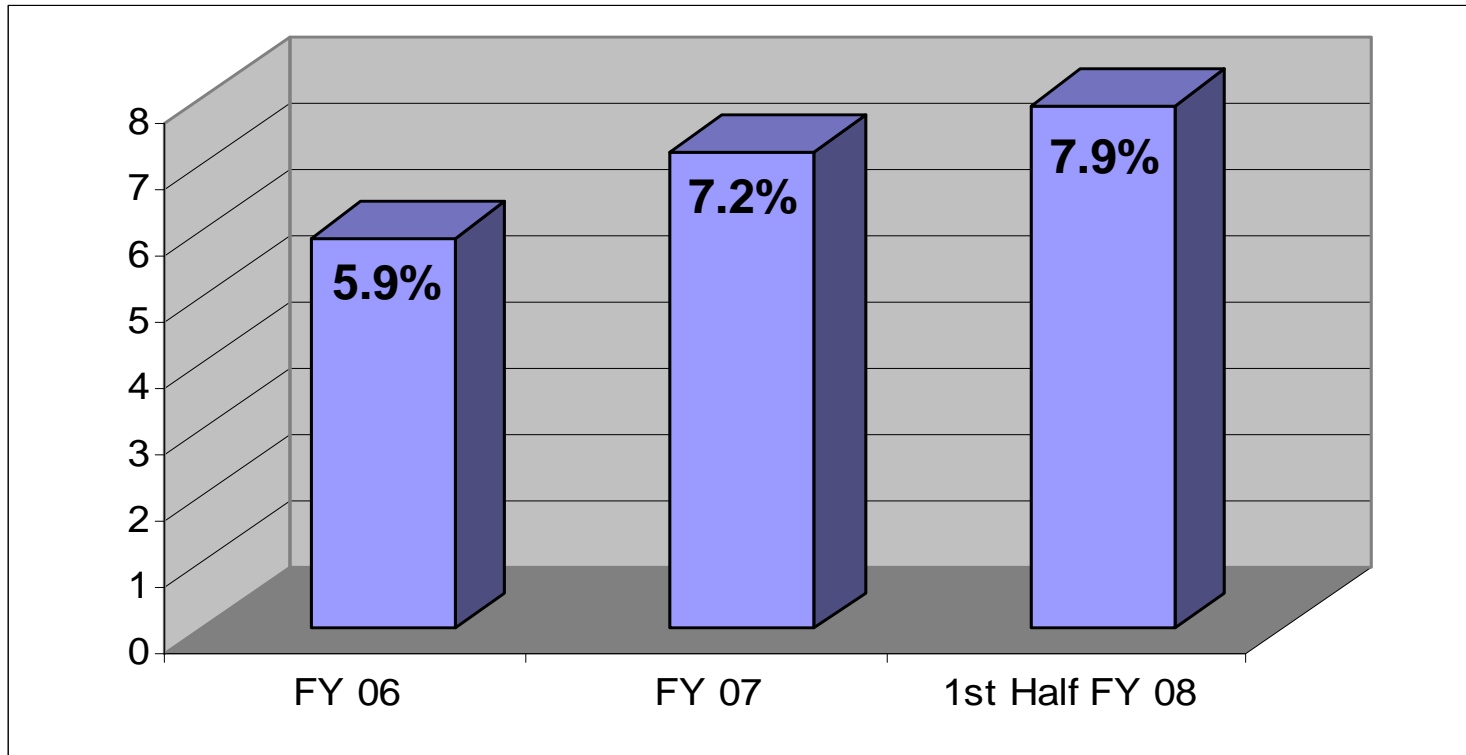
Key:

1<sup>st</sup> = # Unique Pts.

2<sup>nd</sup> = # Visits

Total includes patients whose residence appears to be outside Iowa. It also includes patients for whom a claim has not yet been submitted to DHS.

## IowaCare Patient Encounters at the UIHC as a Percentage of Total Patient Encounters



## Most Common IowaCare DRGs at UIHC YTD FY 08

Rank	DRG	Description	Count
1	470	MAJ JT REPL/REATTACH LE WO MCC	61
2	410	BIL PX EXC CHOLECYST W/WO CDE WO CC/MCC	35
3	204	RESP SIGNS & SYMPTOMS	33
4	544	PATH FX & MSSKL/CONN TISS MALIG WO CC/MCC	30
4	500	SOFT TISSUE PX W MCC	30
6	558	TENDONITIS, MYOSITIS & BURSITIS WO MCC	25
7	563	FX/SPRN/STRN/DISL EXC FEM, HIP, PELV WO MC	24
8	125	OTH DISORDERS OF EYE WO MCC	19
9	202	BRONCHITIS & ASTHMA W CC/MCC	18
10	124	OTH DISORDERS OF EYE W MCC	17

# Most Common IowaCare Outpatient Diagnoses at UIHC YTD FY 08

Rank	Code	Description	Count
1	729.5	PAIN IN LIMB	1,093
2	250.00	DM2/NOS UNCOMP NSU	1,057
3	V58.0	ENCOUNTER FOR RADIORX	1,024
4	401.9	HYPERTENSION NOS	912
5	789.00	ADDOMINAL PAIN - SITE NOS	724
6	724.2	LUMBAGO	608
7	719.46	JOINT PAIN - LOWER LEG	561
8	724.5	BACKACHE NOS	409
9	786.59	CHEST PAIN NEC	360
10	366.16	SENILE NUCLEAR CATARACT	356

# **FY 08 IowaCare Funding Concern for the University of Iowa Hospitals and Clinics**

- FY 08 dollars currently authorized for payment to the University of Iowa Hospitals and Clinics include the \$27.3 M appropriation and a \$10.0 M supplemental appropriation for a total of \$37.3 M. This dollar amount is less than what was required in FY 07.
- Given higher volume levels and fewer dollars than were available last year, the currently authorized funding is anticipated to be insufficient to make it through the end of FY 08.
  - At the current time it is estimated that funding will be depleted in March 2008.
  - The Iowa Department of Human Services has projected an additional \$15.7 M will likely be required for FY 08 to cover expected costs.

## The Current FY 08 IowaCare Funding Shortfall Projection for the UIHC By the Iowa Department of Human Services is \$15.7 M\*

SFY 2008	Total Funds	State Share
Original IowaCare Appropriation	\$27,284,584.00	\$10,425,439.55
Additional Appropriation (H.F. 909)	\$10,000,000.00	\$3,821,000.00
Total amount currently appropriated	\$37,284,584.00	\$14,246,439.55
SFY 2008 Revised Projection	\$52,968,842.10	\$20,239,394.57
Estimated Shortfall	<b>-\$15,684,258.10</b>	\$5,992,955.02



# UI Hospitals and Clinics Self-Funds Pilot Pharmaceutical and Durable Medical Equipment Programs for IowaCare Beneficiaries

- On August 14, 2006, the University of Iowa Hospitals and Clinics implemented pilot programs without reimbursement to facilitate IowaCare beneficiary access to pharmaceuticals and durable medical equipment.
- For the first six months of FY 08:
  - Approximately 92,000 prescriptions have been filled at a cost for drugs, labor and shipping of approximately \$2.2 M.
  - Over 16,600 durable medical equipment items have been provided at a cost of nearly \$400,000.



# Top 10 Most Common IowaCare Prescriptions Filled at UIHC YTD FY 08

Prescription	Use
Omeprazole	Gastroesophageal (acid) reflux
Hydrochlorothiazide	Hypertension (high blood pressure)
Albuterol inhaler	Asthma (breathing problems)
Tramadol	Pain
Hydrocodone/acetaminophen (Lortab)	Pain
Lisinopril	Hypertension (high blood pressure)
Accu-check Aviva strip	Diabetic supply
Accu-check Multiclix lancets	Diabetic supply
Lantus insulin solution	Diabetes
Simvastatin	Hyperlipidemia (high cholesterol)

# UI Hospitals and Clinics Self-Funds an IowaCare Assistance Center to Facilitate Delivery of Services

- The Center provides patients and care providers with information about the IowaCare program and covered services, appointments, application forms and information about local lodging and transportation options.
- Several registered nurses with case management training staff the Center.
- The Center's phone number is (319) 356-1000.
- Annual cost to the University of Iowa Hospitals and Clinics to operate the Center is approximately \$600,000.



# UI Hospitals and Clinics Subsidizes Transportation Services for IowaCare Patients

- The University of Iowa Hospitals and Clinics is paid \$0.30 per mile for the patient transportation it provides on a voluntary basis to and from an IowaCare beneficiaries' home using its fleet of 10 vans. This payment rate is substantially below the University of Iowa Hospitals and Clinics' costs of providing this service.
- For the first six months of FY 08:
  - Nearly 320,000 miles have been traveled in making 1,030 round trips to facilitate in excess of 3,900 patient appointments.
  - Costs have exceeded reimbursement by over \$280,000.



# **Carver College of Medicine Physicians Are Not Permitted to Bill for Services Provided to IowaCare Beneficiaries**

- Per the laws of the 81<sup>st</sup> General Assembly, 2005 Session, CH. 167 (HF 841), Sec. 47(4), "...a physician or surgeon who provides treatment or care for an expansion population member pursuant to chapter 249J shall not charge or receive any compensation for the treatment or care except the salary or compensation fixed by the state board of regents to be paid from the hospital fund."
- The inability to bill for physician services provided to IowaCare beneficiaries is consistent with how the State Papers program operated and results in cost-shifting to other areas. Given volume levels under IowaCare are significantly greater than the volume levels under the State Papers program, however, the challenge is magnified.
- For the first six months of FY 08, Carver College of Medicine physicians did not bill for \$7.7 M in services provided to IowaCare beneficiaries valued at Iowa Medicaid rates. This shortfall had to be managed by the Carver College of Medicine and the University of Iowa Hospitals and Clinics.

# Summary of the University of Iowa Hospitals and Clinics' and Carver College of Medicine's Subsidization of the IowaCare Program

Area	1 <sup>st</sup> Half FY 08 Subsidy
Assistance Center	\$0.3 M
Durable Medical Equipment	\$0.4 M
Pharmaceuticals	\$2.2 M
Physician Services	\$7.7 M
Transportation	\$0.3 M
<b>TOTAL</b>	<b>\$10.9 M*</b>

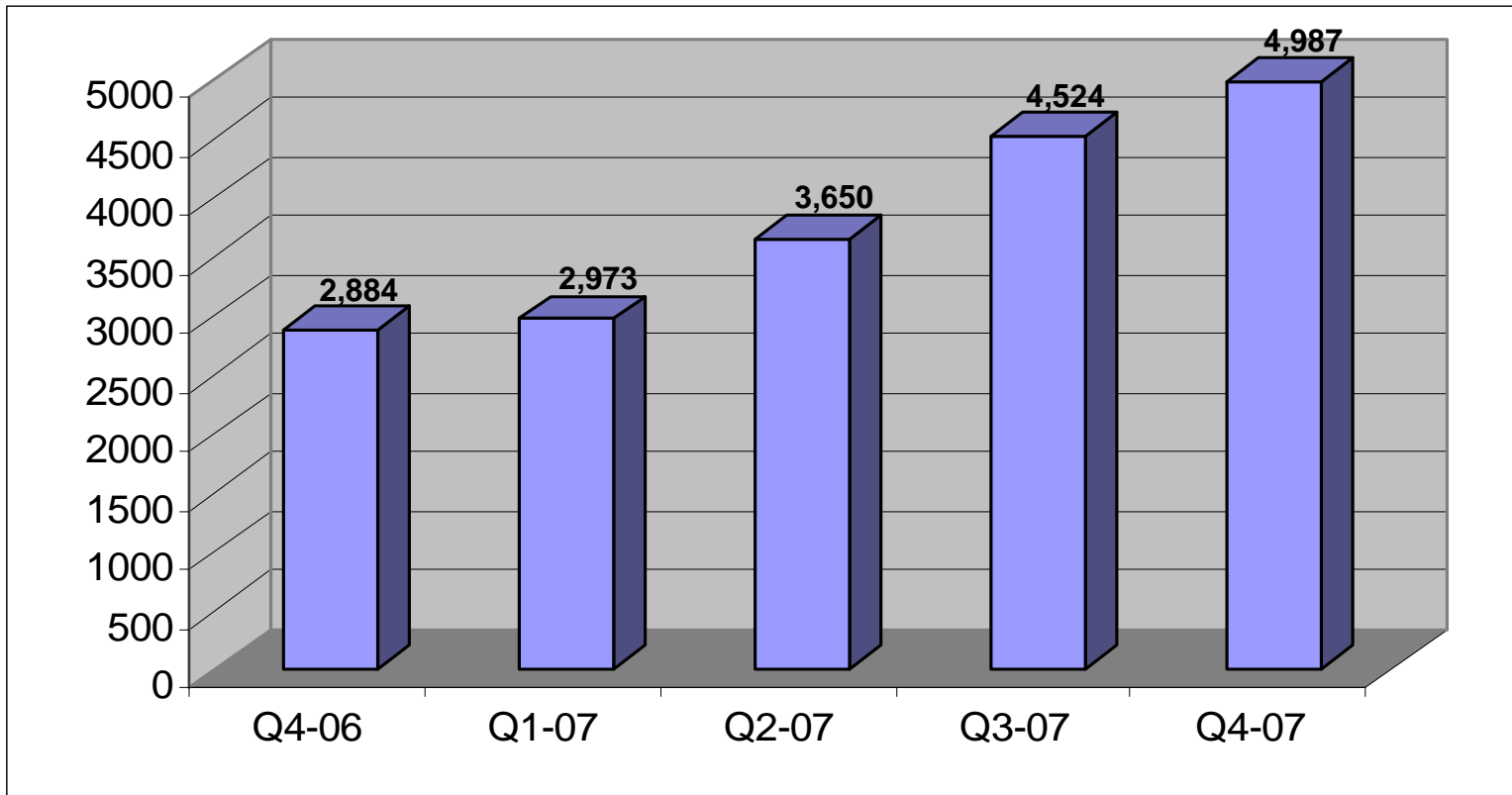
\*Excludes care for state institution patients for the 1<sup>st</sup> half of FY 08 valued at \$3.65 M using Iowa Medicaid rates.

## IowaCare Nurse Helpline



- The goal of the nurse helpline initiative is to assist enrolled IowaCare population members in making appropriate choices about the use of emergency room and other health care services.
- The UI Hospitals and Clinics is paid to provide Nurse Helpline Services to the enrolled IowaCare population. This service is separate from that for the delivery of care and funding does not come from the appropriation.
  - Operational questions pertaining to IowaCare are not part of the agreement and are directed to the Department of Human Services.
  - The Nurse Helpline became operational October 2, 2006.
  - The telephone number for the helpline is 866-890-5966.

## IowaCare Nurse Helpline Encounters\*



\*Encounters represent all service contacts with IowaCare patients, regardless of the source of the contact (telephone, e-mail, etc.)



# The 28E Agreement Pertaining to IowaCare in FY 08 Is Still Being Negotiated

- Per the laws of the 81<sup>st</sup> General Assembly, 2005 Session, CH. 167 (HF 841), Sec. 25(7), the State Board of Regents, on behalf of the University of Iowa Hospitals and Clinics, and the Department of Human Services, shall execute a 28E agreement annually with respect to IowaCare.
- The current 28 E agreement expired June 30, 2007.
- Negotiations with the Department of Human Services are on-going.
- Outstanding issues include:
  - Verification of people eligible for IowaCare services
  - Hold harmless provision
  - Attachments to agreement

## Additional Issues for Consideration

- \$63.3 M projected funding need for FY 09 [this is the figure in the Governor's budget]
- Pharmacy restriction for IowaCare patients participating in Iowa's Smoking Cessation Program
- Patients enrolled in IowaCare who have other health insurance

# QUESTIONS?